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OFFICE OF THE  
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DEPUTY AUDITOR GENERAL

April 3, 2008

The Honorable John Nelson, Chair  
Joint Legislative Audit Committee

The Honorable Robert Blendu, Vice Chair  
Joint Legislative Audit Committee

Dear Representative Nelson and Senator Blendu:

Our Office has recently completed a 6-month follow up of the Chandler Unified School District's implementation status for the 19 audit recommendations presented in the performance audit report released in August 2007. As the attached grid indicates:

- 11 recommendations have been implemented; and
- 8 recommendations are in the process of being implemented.

Our Office will continue to follow up at 6-month intervals with the District on the status of those recommendations that have not yet been fully implemented.

Sincerely,

Ross Ehrick, CPA  
Director, Division of School Audits

Enclosure

cc: Dr. Camille Casteel, Superintendent  
Governing Board  
Chandler Unified School District

# Chandler Unified School District

## 6-Month Follow-Up Report To

### Performance Audit Report Issued August 2007

#### CHAPTER 1: Administration

Recommendation	Status of Implementing Recommendation	Additional Explanation
1. The District should reduce the number of procurement cards in use.	Implemented at 6 months	The District reduced the number of procurement cards by nearly 20 percent, but still maintains 365 cards.
2. The District should more effectively implement its controls and reviews to protect against misuse of procurement cards.	Implemented at 6 months	The District has increased the number of procurement card audits it performs, and has trained all staff on the use of the cards. In addition, the District has better defined what will be reviewed.
3. The District should ensure that applicable discounts are obtained for all purchases and that items available in the warehouse are used first.	Implementation in process	The District held trainings and implemented procedures to help ensure warehouse items are used first and discounts are received. The District is also working with vendors to ensure that all staff have the ability to obtain all applicable discounts. However, the District is not reviewing statements for missed discounts and auditors noted several.

# Chandler Unified School District

## 6-Month Follow-Up Report To

### Performance Audit Report Issued August 2007

#### CHAPTER 1: Administration (cont'd)

Recommendation	Status of Implementing Recommendation	Additional Explanation
4. The District should determine whether items frequently purchased with p-cards should be purchased in bulk and maintained in the District's warehouse.	<b>Implemented at 6 months</b>	The District has established a process to review procurement card purchases on an ongoing basis and make recommendations to the warehouse staff to stock items that appear to be purchased frequently.
5. The District should review whether employees currently provided cell phones actually require these phones as a necessary part of their job duties.	<b>Implemented at 6 months</b>	The District reduced the number of its issued cell phones only slightly. However, the District established clear guidelines identifying staff eligible for a district cell phone based on their job duties and required 37 ineligible employees to return their phones. Auditors noted that the District had issued new phones to 28 other employees, who were previously without district-issued cell phones.
6. The District should review its cell phone policy to determine whether employees are reimbursing an appropriate amount for their personal use.	<b>Implemented at 6 months</b>	

# Chandler Unified School District

## 6-Month Follow-Up Report To

### Performance Audit Report Issued August 2007

#### CHAPTER 1: Administration (concl'd)

Recommendation	Status of Implementing Recommendation	Additional Explanation
7. The District should follow its cell phone policies and ensure that cell phone agreements are signed by each user, and that monies owed the District are collected in a timely manner.	<b>Implemented at 6 months</b>	

#### CHAPTER 2: Student transportation

Recommendation	Status of Implementing Recommendation	Additional Explanation
1. The District should increase oversight of its fuel card usage. Fuel cards for vehicles no longer in service should be canceled immediately. Additionally, the District should closely monitor fuel invoices for any improper or unusual fuel purchases and fuel efficiency.	<b>Implemented at 6 months</b>	
2. The District should maintain complete driver files and periodically review them to ensure that all driver requirements are met and in accordance with DPS Minimum Standards.	<b>Implemented at 6 months</b>	

# Chandler Unified School District

## 6-Month Follow-Up Report To

### Performance Audit Report Issued August 2007

#### CHAPTER 2: Student transportation (concl'd)

Recommendation	Status of Implementing Recommendation	Additional Explanation
3. The District should review rider counts throughout the year to evaluate and adjust routes to increase efficiency.	Implemented at 6 months	
4. To aid in evaluating the efficiency of its transportation program, the District should establish and monitor performance measures such as cost per mile, cost per rider, and bus capacity usage.	Implemented at 6 months	

#### CHAPTER 3: Plant operation and maintenance

Recommendation	Status of Implementing Recommendation	Additional Explanation
1. The District should analyze its plant costs to identify ways to reduce its costs per square foot.	Implementation in process	The District is in the process of evaluating and updating outdated lighting and cooling units at its older schools.

# Chandler Unified School District

## 6-Month Follow-Up Report To

### Performance Audit Report Issued August 2007

#### CHAPTER 4: Proposition 301 monies

Recommendation	Status of Implementing Recommendation	Additional Explanation
1. The District should use performance pay monies only for salary increases that are based on performance measures included in its plan and adopted by its Governing Board. A.R.S. §15-977(C) provides a list of sample performance measures such as measures of academic progress, dropout and graduation rates, attendance rates, and ratings of school quality by parents and students.	Implementation in process	The District has revised its Proposition 301 plan to require employees to meet performance measures to receive all performance pay. Auditors will review actual payments at year end.
2. The District should review its performance pay plan to ensure that compensated activities are optional and that eligible employees are performing activities for which they are not already compensated during normal contracted hours.	Implemented at 6 months	
3. The District should ensure that menu option monies are spent only for eligible employees or for purposes allowed by statute.	Implementation in process	The District provided training to administrators on the proper use of Proposition 301 monies and reviews these expenditures at the District office for compliance. Auditors will review actual expenditures when available at year end.

# Chandler Unified School District

## 6-Month Follow-Up Report To

### Performance Audit Report Issued August 2007

#### CHAPTER 4: Proposition 301 monies (concl'd)

Recommendation	Status of Implementing Recommendation	Additional Explanation
4. The District should ensure that adequate documentation is retained for 3 years to demonstrate that Proposition 301 monies were spent in accordance with statute and the District's plan.	Implementation in process	The District is now maintaining the proper documentation. Auditors will continue reviewing this recommendation until all other recommendations have been implemented.

#### CHAPTER 5: Classroom dollars

Recommendation	Status of Implementing Recommendation	Additional Explanation
1. The District should classify all transactions in accordance with the Uniform Chart of Accounts for school districts.	Implementation in process	The District has corrected the errors noted for fiscal year 2007 and has adjusted their fiscal year 2008 budget to reflect these corrections. Auditors will review fiscal year 2008 expenditure coding at year end.

**Chandler Unified School District  
6-Month Follow-Up Report To  
Performance Audit Report Issued August 2007**

**CHAPTER 6: English Language Learner programs, costs, and funding**

<b>Recommendation</b>	<b>Status of Implementing Recommendation</b>	<b>Additional Explanation</b>
1. The District should comply with statutory requirements to provide 4 hours of English language acquisition in an ELL student's first year.	Implementation in process	The District's SEI model for fiscal year 2009 has been approved by ADE. Once the District receives this funding it will implement the model and auditors will review their implementation at that time.
2. The District should begin separately accounting for the incremental portion of ELL costs and retain supplemental documentation of how those amounts are being determined.	Implementation in process	The District has reviewed all expenditures that were coded as ELL costs for appropriateness. Auditors will review fiscal year 2008 expenditure coding at year end.